AT&T

4Q2024 EARNINGS

2024 4th Quarter Earnings

January 27, 2025

AT&T

Cautionary Language Concerning Forward-looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update and revise statements contained in this presentation based on new information or otherwise. This presentation may contain certain non-GAAP financial measures. Information about non-GAAP financial measures is contained on slide 16 and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at investors.att.com.

2024 Business Priorities

1

Grow durable 5G and Fiber relationships

- **Executed consistent and disciplined** go-to-market strategy with focus on profitable growth
- **5G** - Delivered nearly 1.7 million postpaid phone net adds in 2024 and grew Mobility service revenues by 3.5%
- **Fiber** – Added 1 million+ AT&T Fiber subscribers and grew consumer fiber revenues by ~18%

2

Effective and efficient in everything we do

- **Expanded margins** with consolidated Adj. EBITDA†1 margins up 120 basis points year-over-year
- **Unlocked efficiencies**, enhanced customer experiences and scale benefits with AI
- **Grew 5G and fiber** premium service offerings, further transitioning from legacy infrastructure

3

Deliberate capital allocation

- **Invested in growth** – Expanded 5G and fiber with 2024 Capital Investment†3 of $22.1B
- **Strengthened the balance sheet -** reduced net debt†2 by nearly $9B, with net debt -to-adjusted EBITDA†2 of 2.68x; on track to achieve the 2.5x range in the first half of 2025
- **Provided an attractive dividend** supported by growing free cash flow†4 of $17.6B in 2024

† See notes slide 16
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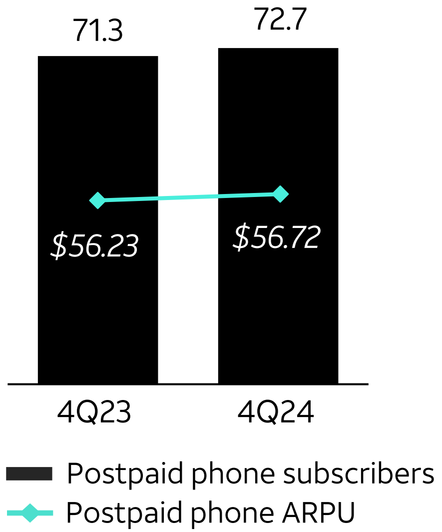
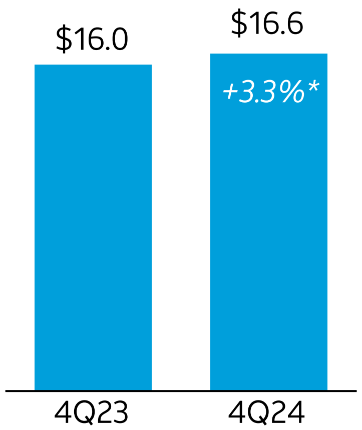
5G & Fiber

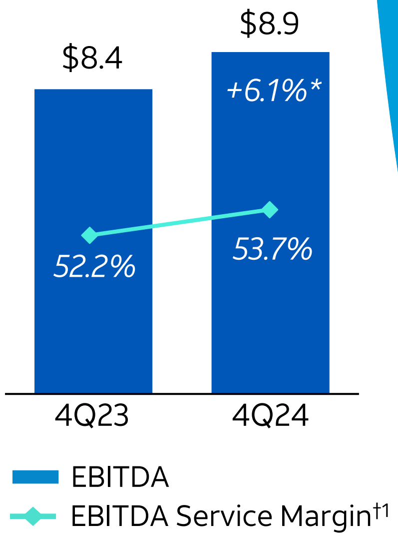
Postpaid Phone Subscribers
millions



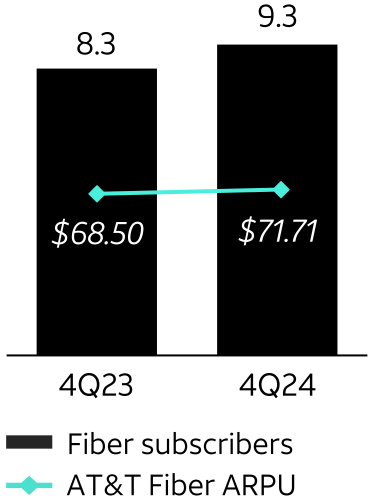
Mobility Service Revenues
$ in billions



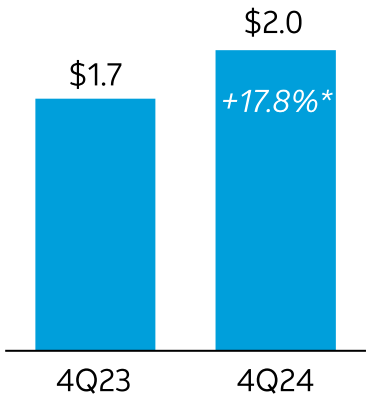
Mobility EBITDA[†1]
$ in billions



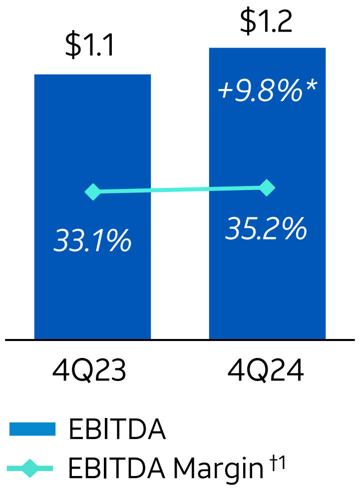
AT&T Fiber Subscribers
millions



AT&T Fiber Revenues
$ in billions



Consumer Wireline EBITDA[†1]
$ in billions



* YOY change
† See notes slide 16

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2025 Business Priorities

1

Grow durable 5G and Fiber relationships

- Continue **disciplined go-to-market strategy** with a focus on putting the customer first
- Grow AT&T Fiber and 5G subscribers while **increasing the converged customer penetration rate**

2

Effective and efficient in everything we do

- Expand consolidated Adj. EBITDA margins[†1] and make progress toward achieving **$3B+ run-rate cost savings target** by the end of 2027
- **Integrate AI** to drive efficiencies, increase productivity and improve customer experiences
- Continue **transition of legacy copper** to 5G and fiber services
- Execute **wireless network modernization** with peak investment in 2025

3

Deliberate capital allocation

- Invest for growth in 5G and fiber with **~$22B in Capital Investment**[†3]
- Achieve net debt-to-adjusted EBITDA[†2] in the **2.5x range** in the first half of 2025
- Begin enhanced shareholder return program through our **$10B share repurchase authorization**
- Provide an **attractive dividend** with improved quality

† See notes slide 16

Introducing the AT&T Guarantee^{SM}

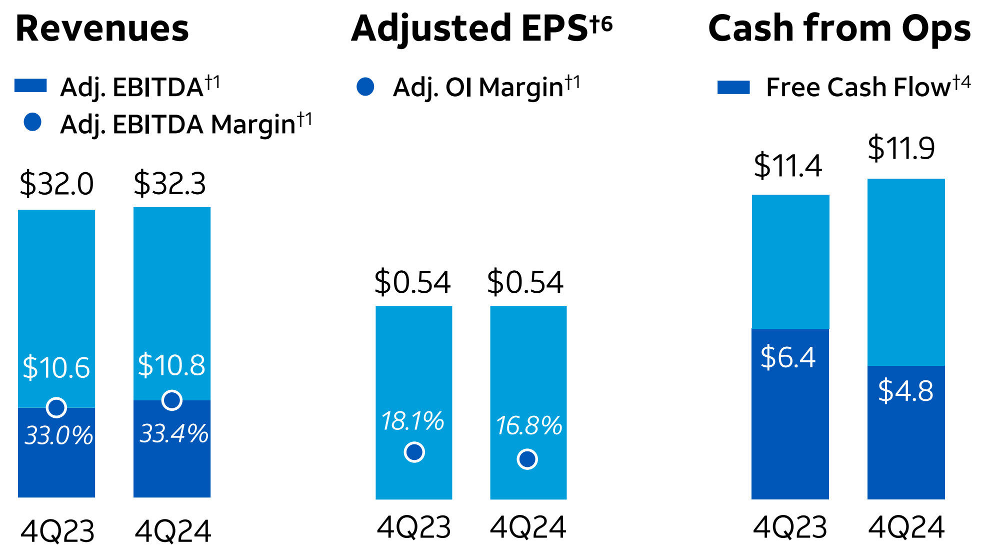
It's talking the talk and walking the walk

AT&T is standing by our products and services

4Q2024 Financial Results

4Q24 Financial Summary

$ in billions, except EPS



	4Q23	4Q24
Reported EPS	**$0.30**	**$0.56**
Adjustments:		
DIRECTV intangible amortization (proportionate share)	$0.03	-
Impairments and restructuring	$0.06	-
Actuarial and other adjustments	$0.15	($0.02)
Adjusted EPS	**$0.54**	**$0.54**

Service revenue growth from subscriber & ARPU gains

- Revenues of $32.3B
- Mobility service revenues grew $0.5B, up 3.3%
- Consumer broadband revenues grew 7.8%

Adjusted EBITDA†1 of $10.8B, up 2.2%; up 3.1% for 2024

- Adjusted EBITDA margin†1 expanded 40 bps; 120 bps for FY 2024

Adj. EPS†6 of $0.54; $2.26 for FY 2024

- 2024 Adj. EPS of $1.95 excluding DIRECTV†7

Cash from operations of $11.9B

- Free cash flow†4 of $4.8B; includes $1.1B from DIRECTV; 2024 free cash flow†4 of $17.6B, $15.3B excluding DIRECTV†5
- Capital expenditures of $6.8B; Capital investment†3 of $7.1B; includes $0.2B of vendor financing payments

† See notes slide 16

2024 Guidance

Achieved all consolidated financial guidance

	2024 Guidance	2024 Result
REVENUE GROWTH		
Mobility Service Revenues	*3% range*	3.5%
Broadband Revenues	*7%+*	7.2%
ADJUSTED EBITDA†1 GROWTH	**3% range**	**3.1%**
CAPITAL INVESTMENT†3	**$21 to $22B range**	**$22.1B**
FREE CASH FLOW†4	**$17 to $18B**	**$17.6B**
ADJUSTED EPS†6	**$2.20 - $2.25**	**$2.26**

† See notes slide 16
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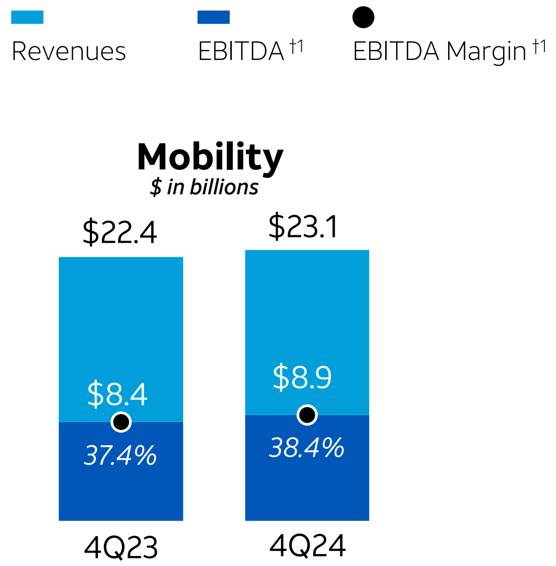
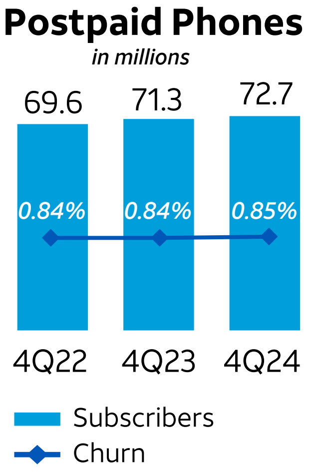
4Q24 Mobility Results





Strong service revenue and EBITDA†1 growth from high-quality, durable subscribers

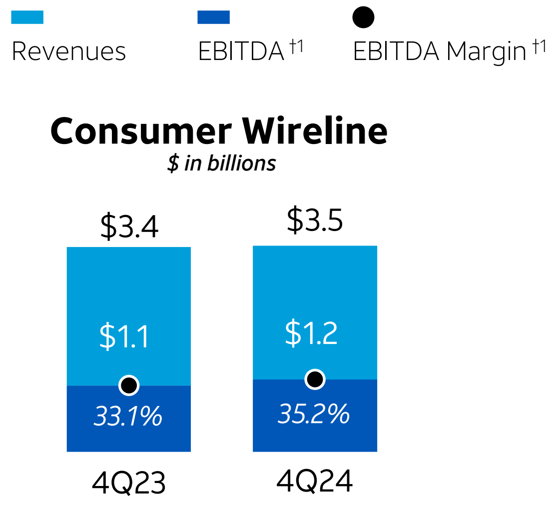
- Wireless service revenues grew $0.5B, up 3.3%; up 3.5% for FY 2024
- Postpaid phone ARPU of $56.72, up 0.9%
- EBITDA†1 of $8.9B, up 6.1%, up 6.3% for FY 2024; 4Q24 EBITDA service margin†1 of 53.7%, up 150 bps
- Strong operating leverage drove margin expansion from consistent go-to-market strategy, profitable customer growth and continued focus on operational efficiency

Consistent and sustainable execution, with profitable customer growth

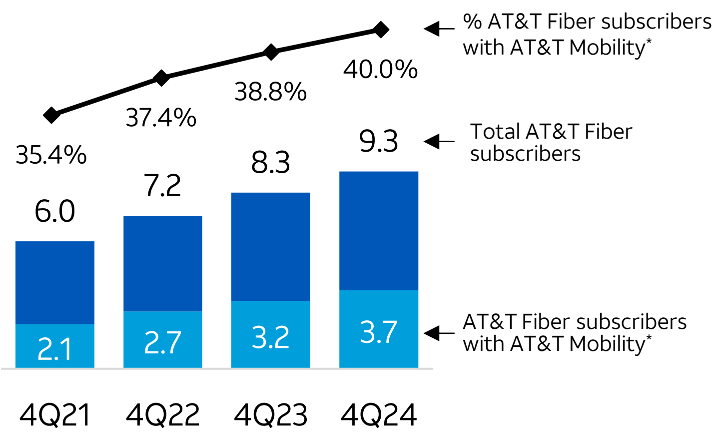
- Focus on putting customers first, deliberate segmentation and expanding value of convergence
- 482,000 postpaid phone net adds
- 0.85% postpaid phone churn, another expected industry-best performance in 4Q24
- Upgrade rate of 4.6%, down 10 bps

† See notes slide 16

4Q24 Consumer Wireline Results



Convergence Opportunity



Revenue and EBITDA†1 growth driven by fiber, with fiber revenues up ~18%

- Broadband revenues grew 7.8%, up 7.2% for FY 2024
- Fiber ARPU of $71.71, up 4.7%
- Total broadband net adds of 123,000
  - AT&T Fiber net adds of 307,000
  - AT&T Internet Air net adds of 158,000

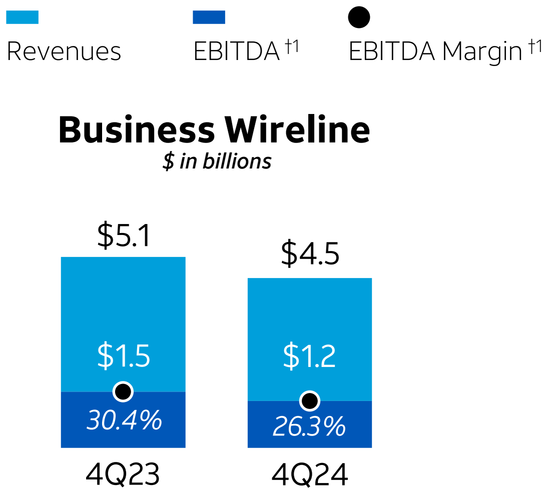
Fiber investment drives valuable convergence opportunities

- AT&T Fiber penetration of 40%
- Expansion of fiber footprint increases opportunities to provide Mobility service to high-quality customer cohorts
- Converged customers are highly valuable and durable, with longer customer lives

*Mobility is defined as consumer postpaid phone. 4Q24 fiber metrics are presented based on available information and are subject to revision

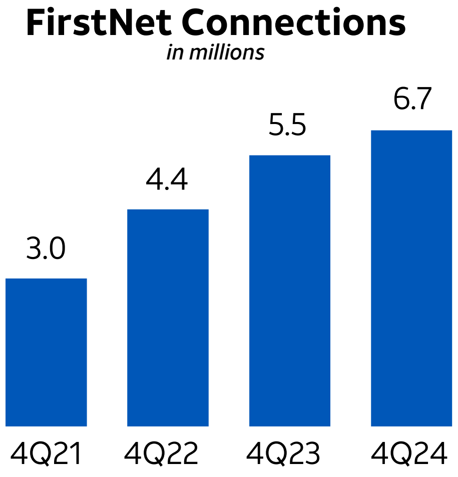
† See notes slide 16

4Q24 Business Wireline Results



Business Wireline results reflect accelerated product transition

- Continued transition of legacy wireline services, with ongoing declines in legacy voice and data revenues
- EBITDA†1 trends reflect continued secular declines in legacy services
- Solid growth from fiber volumes and fiber broadband revenues continued



Strong Enterprise relationships remain key to future connectivity growth

- AT&T Business Solutions†8 positioned to capture incremental growth opportunities with fiber, 5G and AT&T Internet Air for Business
- Business Solutions†8 wireless service revenue grew 3.5%; 4.1% for FY 2024
- FirstNet added ~300K connections, up to 6.7M total connections, includes phones and other devices

† See notes slide 16
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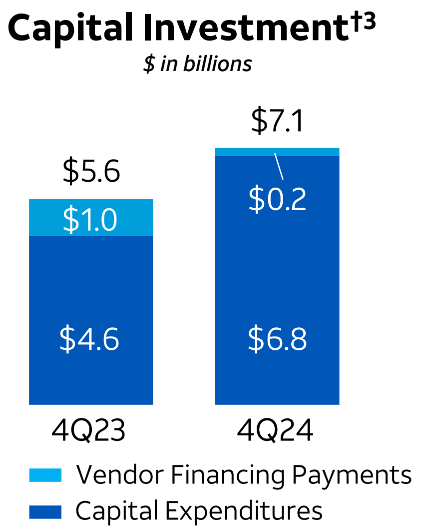
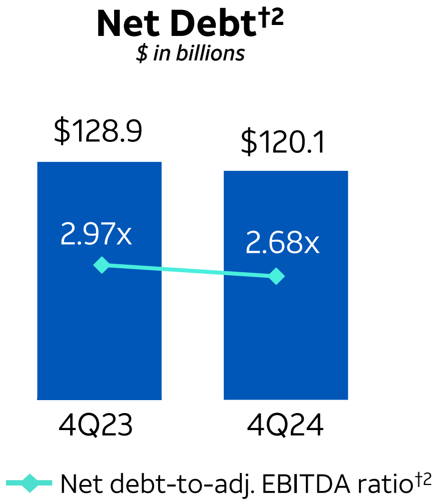
4Q24 Capital Allocation Update





Investing for growth

- Capital Investment†3 of $7.1B, with higher capital expenditures and lower vendor financing payments
- 2024 Capital Investment†3 of $22.1B

Strengthening balance sheet

- Reduced net debt†2 by $8.8B YOY and $5.7B sequentially
- Remain on track to reach net debt-to-adjusted EBITDA†2 in the 2.5x range in the first half of 2025
- Expect to close DIRECTV/TPG transaction mid-2025
  - Since signing the agreement, AT&T has received $1.7B in pre-tax distributions
  - Expect to receive $5.4B after-tax cash payments in 2025 and $0.5B in 2029

Delivering attractive returns

- Provided an attractive dividend supported by strong free cash flow with improved ratability
- Expect to begin repurchasing shares in second half of 2025, as part of the $10B share repurchase authorization

† See notes slide 16

2025 Financial Guidance

	2025 Guidance
REVENUE GROWTH	
Consolidated Service Revenues	*low-single-digit range*
Mobility Service Revenues	*higher end of 2% to 3% range*
Consumer Fiber Broadband Revenues	*mid-teens %*
ADJUSTED EBITDA†[1,2] GROWTH	**3% or better**
CAPITAL INVESTMENT†[3]	**$22B range**
FREE CASH FLOW†[5] excluding DIRECTV cash distributions	**$16B+**
ADJUSTED EPS†[7] excluding DIRECTV	**$1.97 to $2.07**

The Company reiterates all long-term financial and operational guidance from 2024 Analyst & Investor Day

† See notes slide 16

Q&A

Notes

1. EBITDA, EBITDA margin, EBITDA service margin, adjusted EBITDA, adjusted EBITDA margin and adjusted operating income margin are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Adjusted EBITDA margin is adjusted EBITDA divided by total operating revenues. Adjusted EBITDA is calculated by excluding from operating revenues and operating expenses certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, significant abandonments and impairments, benefit-related gains and losses, employee separation and other material gains and losses. For 4Q24, adjusted EBITDA of $10.8 billion is calculated as net income of $4.4 billion, plus income tax expense of $0.9 billion, plus interest expense of $1.7 billion, minus equity in net income of affiliates of $1.1 billion, minus other income (expense) – net of $0.6 billion, plus depreciation and amortization of $5.4 billion, plus adjustments of $0.1 billion. For 4Q23, adjusted EBITDA of $10.6 billion is calculated as net income of $2.6 billion, plus income tax expense of $0.4 billion, plus interest expense of $1.7 billion, minus equity in net income of affiliates of $0.3 billion, plus other income (expense) – net of ($0.9) billion, plus depreciation and amortization of $4.8 billion, plus adjustments of $0.5 billion. For 2024, adjusted EBITDA of $44.8 billion is calculated as net income of $12.3 billion, plus income tax expense of $4.4 billion, plus interest expense of $6.8 billion, minus equity in net income of affiliates of $2.0 billion, minus other income (expense) – net of $2.4 billion, plus depreciation and amortization of $20.6 billion, plus adjustments of $5.1 billion. For 2023, adjusted EBITDA of $43.4 billion is calculated as net income of $15.6 billion, plus income tax expense of $4.2 billion, plus interest expense of $6.7 billion, minus equity in net income of affiliates of $1.7 billion, minus other income (expense) – net of $1.4 billion, plus depreciation and amortization of $18.8 billion, plus adjustments of $1.2 billion. Adjusted EBITDA margin for 2024 of 36.6% is adjusted EBITDA of $44.8 billion divided by total operating revenues of $122.3 billion. Adjusted EBITDA margin for 2023 of 35.4% is adjusted EBITDA of $43.4 billion divided by total operating revenues of $122.4 billion.

2. Net debt-to-adjusted EBITDA ratios are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Our net debt-to-adjusted EBITDA ratio is calculated by dividing net debt by the sum of the most recent four quarters of adjusted EBITDA (defined above). Net debt is calculated by subtracting cash and cash equivalents and time deposits (deposits at financial institutions that are greater than 90 days, e.g., certificates of deposit and time deposits), from total debt. Net debt of $120.1 billion at December 31, 2024 is calculated as total debt of $123.5 billion less cash and cash equivalents of $3.3 billion and time deposits of $0.2 billion. Net debt of $128.9 billion at December 31, 2023 is calculated as total debt of $137.3 billion less cash and cash equivalents of $6.7 billion and time deposits of $1.8 billion. Net debt of $125.8 billion at September 30, 2024 is calculated as total debt of $129.0 billion less cash and cash equivalents of $2.6 billion and time deposits of $0.7 billion. Adjusted EBITDA was $44.8 billion for 2024 and $43.4 billion for 2023. Net debt and Adjusted EBITDA estimates depend on future levels of revenues, expenses and other metrics which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected Adjusted EBITDA and net debt-to-adjusted EBITDA and the most comparable GAAP metrics and related ratios without unreasonable effort.

3. Capital investment includes capital expenditures and cash paid for vendor financing ($0.2 billion in 4Q24 and $1.8 billion for 2024). Due to high variability and difficulty in predicting items that impact capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected capital investment and the most comparable GAAP metric without unreasonable effort.

4. Free cash flow is a non-GAAP financial measure that is frequently used by investors and credit rating agencies to provide relevant and useful information. In 4Q24, free cash flow of $4.8 billion is cash from operating activities of $11.9 billion, minus capital expenditures of $6.8 billion and cash paid for vendor financing of $0.2 billion (there were no cash distributions from DIRECTV classified as investing activities in 4Q24). For 2024, free cash flow of $17.6 billion is cash from operating activities of $38.8 billion, plus cash distributions from DIRECTV classified as investing activities of $0.9 billion, minus capital expenditures of $20.3 billion and cash paid for vendor financing of $1.8 billion.

5. Beginning with the reporting of first-quarter 2025 results, the company plans to revise its definition of free cash flow to remove cash flows related to DIRECTV (distributions reported in both operating and investing activities). Free cash flow excluding DIRECTV is expected to be defined as cash from operations minus cash flows related to our DIRECTV equity method investment (cash distributions less cash taxes paid from DIRECTV), minus capital expenditures and cash paid for vendor financing (classified as financing activities). For 2024, free cash flow excluding DIRECTV of $15.3 billion is cash from operating activities of $38.8 billion, less cash distributions from DIRECTV classified as operating activities of $2.0 billion, plus cash taxes paid on DIRECTV of $0.7 billion, minus capital expenditures of $20.3 billion and cash paid for vendor financing of $1.8 billion. Due to high variability and difficulty in predicting items that impact cash from operating activities, capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected free cash flow excluding DIRECTV and the most comparable GAAP metric without unreasonable effort.

6. Adjusted EPS is calculated by excluding from operating revenues, operating expenses, other income (expenses) and income tax expense, certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, actuarial gains and losses, significant abandonments and impairments, benefit-related gains and losses, employee separation and other material gains and losses. For 2024, Adjusted EPS of $2.26 is Diluted EPS of $1.49 adjusted for $0.72 restructuring and impairments, $0.09 proportionate share of intangible amortization at the DIRECTV equity method investment, and $0.01 actuarial loss on benefit plans, minus $0.03 benefit from tax items and $0.02 of benefit-related, transaction and other costs.

7. Beginning with reporting of first-quarter 2025 results, the company plans to revise its definition of adjusted EPS to remove the equity in net income from our DIRECTV investment. For 2024, Adjusted EPS excluding DIRECTV of $1.95 is Diluted EPS of $1.49 adjusted for $0.72 restructuring and impairments and $0.01 actuarial loss on benefit plans, minus $0.22 equity in net income of DIRECTV, $0.03 benefit from tax items and $0.02 of benefit-related, transaction and other costs. The company expects adjustments to 2025 reported diluted EPS to include an adjustment to remove equity in net income of DIRECTV, a non-cash mark-to-market benefit plan gain/loss and other items. The adjustment to remove the equity in net income of DIRECTV is dependent upon cash distributions from DIRECTV and the timing of the closing of the sale of our DIRECTV investment, which is expected in mid-2025.The company expects the mark-to-market adjustment, which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our projected 2025 Adjusted EPS excluding DIRECTV depends on future levels of revenues and expenses, most of which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between this projected non-GAAP metric and the most comparable GAAP metric without unreasonable effort.

8. As a supplemental presentation to our Communications segment operating results, AT&T Business Solutions results are provided in the Financial and Operational Schedules & Non-GAAP Reconciliations document on the company's Investor Relations website, investors.att.com. AT&T Business Solutions includes both wireless and fixed operations and is calculated by combining our Mobility and Business Wireline operating units and then adjusting to remove non-business operations. This combined view presents a complete profile of the entire business customer relationship and underscores the importance of mobile solutions to serving our business customers.

Reconciliations of non-GAAP financial measures cited in this document to the most directly comparable GAAP financial measures can be found at https://investors.att.com and in our Form 8-K dated January 27, 2025. All AT&T consolidated metrics discussed above represent continuing operations.

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